impact of big industries on SSI

2876. PROF. P.J. KURIEN: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that Small Scale Industries are being crippled because of the competition from big industries and the multinationals;

(b) whether it is also a fact that the number of items reserved for SSI has been gradually reduced;

(c) if so, the details thereof; and

(d) the steps Government would take to help the SSI to withstand the competition from big industrial and the multinationals?

THE MINISTER OF SMALL SCALE INDUSTIRES (SHRI MAHAVtR PRASAD): (a) No specific reports are available giving the extent to which Indian small scale industries as a whole may have been affected due to competition from big industries and multi-national corporations (MNCs). However, from the fact that the annual rate of growth of production of the SSI sector has so far been consistently higher than that of the country's industrial sector as a whole, it can be inferred that the SSI sector has generally been able to face up to the competition in the market, including that from the big industries and MNCs.

(b) and (c) The Government has been following a policy of progressive de-reservation of such items. Review of the list of such reserved items is a continuous process, during which creation of opportunities for higher investment, facilitating technological upgradation, improving quality, promoting exports and achieving economies of scale in manufacturing the said items are kept in mind. Allowing domestic competition to check large-scale imports of such reserved items is also an issue considered by the Government.

(d) To enhance the competitiveness of the SSI units *vis-a-vis* the big industries and MNCs, the Government have put in place several measures, which include assistance for technological upgradation, accessing markets, improved infrastructure, better availability of credit, facilities for training and capacity building of entrepreneurs, etc.